



The State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

**Representatives Present During the Inspection:**

OGM	Pete Hess	Environmental Scientist III
Company	Vicky S. Miller	Environmental Specialist

## Inspection Report

Permit Number:	<b>C0070039</b>
Inspection Type:	<b>COMPLETE</b>
Inspection Date:	Wednesday, January 26, 2005
Start Date/Time:	1/26/2005 8:18:00 AM
End Date/Time:	1/26/2005 11:30:00 AM
Last Inspection:	Wednesday, December 29, 2004

Inspector: Pete Hess, Environmental Scientist III

Weather: Overcast, 30's F; Flurries during inspection.

InspectionID Report Number: 516

Accepted by: whedberg  
1/27/2005

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **DUGOUT CANYON MINE**

Address: **PO BOX 1029, WELLINGTON UT 84542**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

**Current Acreages**

7,083.71	<b>Total Permitted</b>
51.11	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

**Mineral Ownership**

- ☒ Federal
- ☒ State
- ☐ County
- ☒ Fee
- ☐ Other

**Types of Operations**

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

**Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:**

The permittee submitted the third quarter of 2004 surface and ground water monitoring information to the Division EDI web site on December 28, 2004. A quality check by the DOGM confirmed on the same day that all required sites had been monitored, and all required parameters for each site had reportable data. The permittee has again met the requirement of the Special Permit Condition included in Attachment "A" of the current State permit.

**Inspector's Signature**

**Date** Wednesday, January 26, 2005

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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## Inspection Continuation Sheet

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### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **1. Permits, Change, Transfer, Renewal, Sale**

The current State permit issued by the DOGM remains in effect until March 16, 2008. The permittee received a new UPDES permit from the Utah DEQ / DWQ effective December 1, 2004. The permittee is now required to monitor all UPDES outfalls twice a month; also an increase in the amount of total dissolved solids has been permitted.

### **4.a Hydrologic Balance: Diversions**

Many of the sites diversions are under frozen compacted snow. Those which were visible appeared capable of functioning as designed. The freeze / thaw cycle is causing a lot of debris accumulation in ditches which are in close proximity to cut banks. The permittee is aware that the cleaning of the diversions is necessary as soon as ground conditions allow.

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The permittee conducted the fourth quarter impoundment inspections for the mine site sediment pond and the waste rock pond on October 3, 2004. There were no signs of instability or hazards reported. The permittee installed sediment cleanout markers in each pond on October 13, 2004. As observed this day, the mine site pond has a frozen surface. The elevation of the ice accumulation is approximately three feet below the elevation of the primary discharge. There were no compliance issues noted with the mine site pond. It was not possible to access the waste rock pond this day, due to soft roadway conditions.

### **4.c Hydrologic Balance: Other Sediment Control Measures**

Other sediment control measures were buried under frozen compacted snow, rendering their respective treatment methods not inspectable.

### **4.d Hydrologic Balance: Water Monitoring**

As noted above, the third quarter water monitoring information for the Dugout Mine permit area was submitted to the Division on December 28, 2004. Ms. Miller indicated this day that the fourth quarter information will be completed shortly.

### **4.e Hydrologic Balance: Effluent Limitations**

Discharge monitoring reports for the months of October, November, and December of 2004 were reviewed. As noted above, the permittee received a new UPDES permit effective December 1, 2004. UPDES outfall 001A experienced exceedances for TDS and total iron in October and November. The Division received written notification of these from the permittee on November 15th and December 13th respectively. Flow rates from UPDES outfall 001A were reported as 468,186 GPD (average) to 712,800 GPD (maximum) for the month of December. No exceedances were reported.

## **5. Explosives**

The Division has been working with the permittee to develop a blasting plan for the construction of the Pace Canyon air shaft. The initial rounds of shaft development will be governed by R645-301-524.100 through -524.700. As this blasting activity will be within 500 feet of an active underground coal mine, an MSHA approval is also necessary.

## **7. Coal Mine Waste, Refuse Piles, Impoundments**

As observed this day, Nielsen Construction Company was hauling coal mine waste from the Mine to the waste rock site. A dozer was at the site, to spread, level and compact the material as it was being placed by the drop bottom trailers. There was no noncoal waste material visible at the site. All ditches were clear and appeared to be capable of functioning as designed. The permittee conducted the fourth quarter waste rock pile inspection on November 13, 2004. There were no signs of instability noted / reported by Mr. Dave Spillman's inspection. There were no compliance issues noted at the waste rock site this day. The issue of coal mine waste material leaving the site on the tires of the haul trucks was discussed with the permittee. Although no waste was visible on the waste rock access road, or the County road, the permittee was advised to monitor any coal waste accumulation in those areas in order to prevent an off-site impact / compliance action.

## **9. Protection of Fish, Wildlife and Related Environmental Issues**

Ms. Miller indicated that a small herd of black tail deer are using the waste rock pond as a watering hole. It was suggested that this pond be retained for continuous use as part of the post-mining land use.

## **10. Slides and Other Damage**

Although no earth slumps have occurred to date, surface soil moisture conditions are near saturation in the disturbed area. One gravitational slide of coal burn material was observed adjacent to the base of the road providing access to the primary and secondary electrical substations, (mine site area). There was no visible property damage observed from this slide. This slide is probably due to freeze / thaw.

## **16.a Roads: Construction, Maintenance, Surfacing**

Haul roads appear to be in good condition, with the exception of the blacktop pavement material in the road swale directly south of the mine site sediment pond. This depression carries intercepted flow into the pond. The permittee is aware that the pavement needs attention.

## **19. AVS Check**

Chapter 1, Ownership and Control information has recently been submitted to the Division, and same is being correlated with information maintained by the Office of Surface Mining. Several amendments for CFC Mines are pending, awaiting OGM approval of this information.

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### **21. Bonding and Insurance**

The permittee's current general liability insurance remains in effect until July 31, 2005. A coverage amount of \$500,000 is in place for the general aggregate; a \$300,000 amount of coverage is provided for each occurrence. Coverage for damage incurred from the use of explosives is provided.